

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2763 - SB 2864

March 1, 2010

SUMMARY OF BILL: Directs the Department of Finance and Administration to prepare a TennCare beneficiary employer report to be submitted to the Governor on a quarterly basis. The report will include information for each employer who has 50 or more employees that are a TennCare beneficiary, the spouse of a TennCare beneficiary, or a custodial parent of a TennCare beneficiary. The report shall be submitted within 120 calendar days after the end of each quarter and the first report shall be submitted within 120 days after the first quarter of 2011.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$97,500/One-Time

Increase Federal Expenditures - \$5,000/One-Time

Assumptions:

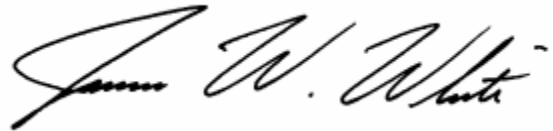
- The Bureau of TennCare will collect additional information from the Department of Human Services (DHS) to complete the required report. TennCare will have to make modifications to current computer system processes to count a person reported by multiple employers as a partial person under each employer and to gather information on the supplemental security income recipients, their spouses, and children. TennCare estimates a one-time cost of \$10,000 for these modifications.
- Of the \$10,000, \$5,000 will be state funds and \$5,000 will be federal funds at a 50 percent match rate.
- According to DHS, modifications to the ACCENT system programming to create an interface to transmit beneficiary information quarterly to TennCare. Based on previous modifications, it is estimated approximately 500 hours at a cost of \$75 per hour for analysis, design, and testing resulting in an increase in one-time expenditures of \$37,500.

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- There will also be corresponding modifications to the VIP system which is currently in construction and would require a change order. DHS estimates approximately 500 hours at a cost of \$110 per hour for analysis, design, and testing resulting in an increase in one-time expenditures of \$55,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and "W".

James W. White, Executive Director

/kml